

CODDENHAM PARISH COUNCIL

INTERNAL CONTROL REPORT

The Accounts & Audit (England) Regulations 2015 aims to strengthen governance and accountability through requirements related to internal control and internal audit.

Whilst the Parish Council has reviewed the effectiveness of the internal audit (independence, competence, proportionate and scope), it has a requirement levied on it to ensure that its financial management is adequate and effective and that it has a sound system of internal control: -

‘The regulations require active participation by members in providing positive assurance to the electors of their stewardship of public money. The framework of accountability is risk-based i.e. level of control and management must be appropriate to the risk involved. The Council must determine the most appropriate method of internal control... care should be taken to ensure that internal control tests are proportionate and relevant and that they are neither seen as, nor intended as, undue interference in the RFO’s day to day management of financial affairs.’

As part of its internal control, the Parish Council appoints a non-signatory Councillor, on a rota basis, to conduct a review of the system of internal control via the following tests on a quarterly basis with a written report of any findings to be submitted to the Council and minuted as received.

CONTROL TEST	TEST DONE	COMMENTS – check documents and initial
	Yes or No	
Ensuring an up to date Register of Assets	Yes	RpD – Requires updating with new IT items.
Regular maintenance arrangement for physical assets	No	RpD – The Council needs to put in place a timetable of regular maintenance arrangements, in line with the assets register.
Annual review of risk and the adequacy of Insurance cover	Yes	RpD – See Risk Assessment Strategy 2021.
Annual review of financial risk		RpD - Adopted at the meeting held 18 March 2021, minute no: 20/21 168.
Awareness of Standing Orders and Financial regulations	Yes	RpD -
Adoption of Financial and Standing Orders	Yes	RpD – Adopted revised editions in July 2020.

Regular reporting on performance by contractors	Yes	RpD - Norse to provide a report when they have undertaken the works. A report is not expected from MSDC.
Annual review of contracts (where appropriate)	Yes	RpD – Annual review with Norse in February and May with MSDC.
Regular bank reconciliation, independently reviewed	Yes	RpD – Reference 3 rd June email and to be reviewed at each Council meeting.
Regular scrutiny of financial records and proper arrangements for the approval of expenditure	Yes	RpD – Reviewed at each Council meeting.
Recording in the minutes or appendices of the minutes the precise powers under which expenditure is being approved	Yes	RpD – Reported in the monthly Schedule of Payments and approved by Council.
Payments supported by invoices, authorised and minuted	Yes	RpD - Reported in the monthly Schedule of Payments with attached supporting invoices and approved by Council.
Regular scrutiny of income records to ensure income is correctly received, recorded and banked	Yes	RpD – Reference 3 rd June email and reported in the monthly Cash Book report and as bank statements.
Scrutiny to ensure precept recorded in the cashbook agrees to District Council notification	Yes	RpD – Reference 3 rd June email and reported in the monthly Cash Book report and balances with the remittance advice from MSDC.
Contracts of employment for staff	Yes	RpD
Contract annually reviewed	No	RpD – Annual review remains outstanding.
Updating records to record changes in relevant legislation	Yes	RpD
PAYE/NIC properly operated by the Council as an employer	Yes	RpD – online HMRC application in place.
VAT correctly accounted for VAT payments identified, recorded and reclaimed in the cashbook	Yes	RpD – Reported in the monthly Cash Book report.

Regular financial reporting to Parish Council	Yes	RpD – Reported to each Council meeting and monthly by email.
Regular budget monitoring statements as reported to Parish Council	Yes	RpD – Last report dated 31 st May 2021
Compliance with DCLG Guide <i>Open & Accountable Local Government 2014</i> , Part 4: Officer Decision Reports	Yes Yes	RpD – Published on the Council website. RpD – Published in Clerk’s report.
Compliance with Local Transparency Code Of 2014: Items of expenditure incurred over £500	No	N/A – CPC’s turnover is below the threshold. Although we do publish all expenditure above £100 annually at year end. As quote by NS.
Minutes properly numbered and paginated with a master copy kept in for safekeeping	Yes	RpD
Procedures in place for recording and monitoring Members’ Interests and Gifts of Hospitality	Yes	RpD – Updated Policies to be reviewed by Council in 15 th July 2021.
Adoption of Codes of Conduct for Members	Yes	RpD
Declaration of Acceptance of Office	Yes	RpD

Date of review of system of Internal Controls: 12th July 2021

Review of system of Internal Controls carried out by:

Name: Councillor Robert Denning

Signature.....RpD.....

Report submitted to Council

15th July 2021

(minute reference) 21/22 213

Next review of system of Internal Controls due

Additional comments by reviewer: